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ABSTRACT

This publication sets out the guidance, terms, and conditions issued by the Department for Education and Employment for the Hardship Fund for higher education institutions in England. These hardship funds are made available to undergraduate, graduate, or further education students who face difficulty in meeting their living costs whether because of personal circumstances or unexpected hardship. They are not intended to pay tuition, and they do not substitute for student loans, and are intended only to help students in hardship situations. Some of the conditions of eligibility are outlined. The booklet also contains an updated version of the guidance on the allocation of Mature Student Bursaries. This guide confirms that the Department for Education and Employment has allocated 56.9 million pounds in Hardship Funds to English higher education institutions and describes the funds available to individual institutions. Essential information for the administrators of hardship funds is included, and the monitoring information required from the institution is described. Also included is an explanation of how fund allocations are calculated. Six annexes and an appendix contain additional details about eligibility and allocations. (Contains 16 tables.) (SLD)

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ED 446 645

July 00/28
Report

Hardship Funds for higher education institutions 2000-01

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HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

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2

Hardship Funds for higher education institutions 2000-01

To	Heads of HEFCE-funded higher education institutions
Of interest to those responsible for	Student services; Administration of hardship funds; Finance (including Directors of Finance)
Reference	00/**28**
Publication date	July 2000
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Contents

	Page
Executive summary	3
Appendix 1: Allocation of Hardship Funds 2000-01	5
Appendix 2: Hardship Fund and updated Access Bursary Fund guidance	9
Essential information for administrators for 2000-01	11
Main guidance:	15
Section 1 Purpose and scope	20
Section 2 Funding arrangements	22
Section 3 Updated guidance on Access Bursaries for mature students	
Annexes	
A: Conditions relating to residence	27
B: Dance and Drama Awards: Connected institutions	30
C: Advice on issuing short-term loans from the Hardship Fund	31
D: Form of words for students to give to their Benefits Office	32
E: Report on the use of Access Funds for 1998-99	33
F: 2000-01 monitoring requirements (Access Bursary and Hardship Fund)	40
Appendix 3: HEFCE allocation method	45

Executive summary

Purpose

1. HEFCE Circular Letter 9/00, 'Funding for mature student bursaries' (http://www.hefce.ac.uk/Pubs/Circlets/2000/cl09_00.htm) explained that, in 2000-01, the Council would administer the former Access Funds as three discrete funds:

- an Access Bursary Fund for mature students
- a Hardship Fund
- a Fee Waiver Fund for part-time students.

2. This publication primarily sets out the guidance, terms and conditions issued by the Department for Education and Employment (DfEE) for the Hardship Fund. However, it also contains an updated version of the DfEE's guidance on the allocation of Mature Student Bursaries, including additional details of monitoring arrangements (see Appendix 2).

3. Full details of the fee-waiver scheme for part-time students are not yet available. We will announce these later in the year following receipt of guidance from the DfEE.

Key points

4. This publication supersedes all previous guidance on this subject. It contains:

a. Confirmation that the DfEE has allocated £56.9 million in Hardship Funds to English higher education institutions (HEIs).

b. Funding allocations for individual HEIs (Appendix 1).

c. DfEE's main guidance on Hardship Funds, including a summary of essential information for administrators of Hardship Funds in 2000-01(Appendix 2).

d. A report on the allocation of Access Funds by institutions for 1998-99 (Appendix 2, Annex E).

e. Monitoring information required from institutions for 1999-2000 funds including changes to data requested in HEFCE 99/50 (Appendix 2, Annex F).

f. An explanation of how we calculate allocations, including the introduction of a capping mechanism (Appendix 3).

Action required

Monitoring Access Funds for 1999-2000

5. Since the publication of HEFCE 99/50 last year, we have made arrangements for institutions to provide their monitoring information electronically. We shall issue a disk for this purpose in August 2000. Institutions should be aware that we will examine monitoring returns to verify the data. We may make additional enquiries to clarify the information presented on the monitoring returns.

6. We are making some minor changes to the information we requested on the initial monitoring forms published in Annex D of HEFCE 99/50. These include:

a. Asking institutions to say on Table 8 how much of the interest earned during the year was used to defray audit costs.

b. Requiring Directors of Finance (or equivalent) to sign a declaration that the monitoring return is consistent with the information held in the institution's accounting system for the period 1 September 1999 to 31 August 2000. Institutions will need to be able to reconcile this information to that shown in the financial statements prepared for the year ended 31 July 2000.

7. We now require final monitoring information on the use of 1999-2000 Access Funds by 7 **November 2000**. This extends the deadline of 30 September 2000 stated in HEFCE 99/50.

Monitoring Mature Student Bursaries 2000-01

8. We shall collect early monitoring information about the 2000-01 Mature Student Bursaries on the same disk as the 1999-2000 Access Funds monitoring information. (Further details are at Section three of Appendix 2.) This will show expenditure up to a census date of 31 October 2000 and will inform:

a. The allocation of the remaining 20 per cent of the fund, which is intended for institutions which have spent, or earmarked, their initial allocation.

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b. The DfEE's and Council's consideration of the position of HEIs with any significant underspend of their initial allocation.

9. Institutions must return this information to the Council by 7 November 2000. We will assume, however, that an institution that fails to make a return by this date has opted to relinquish its share of any redistributed Mature Students Bursary funds.

Monitoring Hardship Funds 2000-01

10. Details are given at Annex F of Appendix 2. As this will be a disk-based exercise, the forms are for illustration only. Disks will be issued in August 2001, with a **return date of 7 November 2001**. If an institution fails to make a return by the due date, we will deduct from current grant any expenses incurred by the Council in order to obtain a return. An institution failing to make a return for 2000-01 by the due date will also lose entitlement to a share of any unused funds to be recycled.

11. There will be no early monitoring of Hardship Funds in December 2000.

Changes to carry-forward arrangements

12. The Council and the DfEE wish to encourage good management of the funds and improved targeting of students. Consequently, we will not require institutions to repay unspent 1999-2000 Access Funds, provided they foresee a use for them in 2000-01. Examples are given in Appendix 2, Section 2, 'Carry forward of unspent funds'.

13. However, we strongly encourage institutions to surrender any funds from 1999-2000 that they already know they will not use. The monitoring disk that we are issuing in August 2000 will give institutions the opportunity to indicate whether they intend to surrender any funds. In such a case, we would deduct funds from their January 2001 payment. These funds would then become available for redistribution.

14. Section 2 of the DfEE's guidance describes the new arrangements, and proposals for restricting carry-forward in subsequent years. We intend to keep the situation under review and to take action where appropriate. For example, we may consider that an institution which regularly carries forward a large proportion of its funds from one year to the next, is not making good use of this facility.

Audit requirements

15. Audit requirements are set out in the DfEE guidance. We intend to audit the management of the funds at a sample of institutions, beginning in 2000. This is because the level of the funds has increased greatly over the past few years, and we wish to be sure that institutions' management arrangements are sufficiently robust and accountable to help them, for example, minimise the risk of receiving fraudulent claims.

Appendix 1

Allocation of Hardship Funds 2000-01 in £s

Universities	UG	PG	FE	Total
Anglia Polytechnic University	649,791	30,558	11,136	691,486
Aston University	252,594	23,437	0	276,030
University of Bath	212,079	55,419	0	267,498
Birkbeck College	83,588	28,020	0	111,608
University of Birmingham	703,674	171,774	0	875,448
Bournemouth University	358,423	25,664	0	384,087
University of Bradford	351,397	33,744	0	385,141
University of Brighton	535,263	48,505	0	583,768
University of Bristol	401,558	139,507	0	541,065
Brunel University	510,214	72,226	5,753	588,193
University of Cambridge	425,958	105,167	0	531,125
University of Central England	678,584	66,659	32,802	778,045
University of Central Lancashire	904,885	27,787	46,881	979,553
City University	182,173	79,322	0	261,495
Coventry University	573,143	25,638	7,691	606,472
De Montfort University	1,077,284	101,619	70,255	1,249,159
University of Derby	608,683	20,951	135,668	765,302
University of Durham	442,571	78,649	0	521,220
University of East Anglia	329,941	75,748	0	405,690
University of East London	675,277	60,728	861	736,867
University of Essex	182,659	44,879	0	227,538
University of Exeter	361,002	83,828	0	444,830
Goldsmiths College	278,730	74,117	492	353,339
University of Greenwich	682,511	68,187	877	751,574
University of Hertfordshire	676,560	45,527	5,307	727,393
University of Huddersfield	599,042	70,776	8,806	678,624
University of Hull	535,269	58,553	0	593,822
Imperial College	267,030	185,888	0	452,918
Keele University	227,284	82,274	0	309,558
University of Kent at Canterbury	299,765	36,825	0	336,590
King's College London	513,871	123,036	0	636,907
Kingston University	529,058	40,296	1,615	570,969
Lancaster University	357,099	64,975	3,338	425,412
University of Leeds	739,937	134,871	0	874,808
Leeds Metropolitan University	713,753	52,933	64,019	830,705
University of Leicester	376,672	78,830	0	455,502
University of Lincolnshire & Humberside	565,818	11,472	0	577,290
University of Liverpool	527,521	99,988	0	627,509

Universities	UG	PG	FE	Total
Liverpool John Moores University	796,502	48,298	2,823	847,622
London Guildhall University	609,590	33,433	24,282	667,305
Loughborough University	405,781	61,350	7,745	474,876
University of Luton	450,387	12,275	0	462,662
University of Manchester	743,521	159,121	0	902,642
UMIST	208,819	52,700	0	261,519
Manchester Metropolitan University	1,240,218	140,542	7,563	1,388,324
Middlesex University	1,012,789	65,493	3,907	1,082,189
University of Newcastle upon Tyne	487,613	110,554	0	598,166
University of North London	796,119	56,533	20,158	872,810
University of Northumbria at Newcastle	737,114	61,013	523	798,650
University of Nottingham	455,946	112,548	0	568,494
Nottingham Trent University	890,691	73,728	20,381	984,801
Open University	993,915	48,531	0	1,042,445
University of Oxford	467,338	158,593	0	625,931
Oxford Brookes University	421,378	65,985	1,231	488,594
University of Plymouth	859,125	42,186	0	901,311
University of Portsmouth	618,486	54,332	33,640	706,458
Queen Mary and Westfield College	357,263	82,663	0	439,926
University of Reading	340,230	83,440	0	423,670
Royal Holloway, University of London	200,259	45,630	0	245,889
University of Salford	710,452	51,095	58,764	820,310
University of Sheffield	654,549	158,204	0	812,753
Sheffield Hallam University	1,017,744	102,888	2,723	1,123,355
University of Southampton	567,552	102,293	3,030	672,875
South Bank University	770,530	98,667	6,053	875,250
Staffordshire University	785,393	36,256	3,369	825,018
University of Sunderland	716,483	29,652	1,000	747,135
University of Surrey	177,879	42,431	0	220,311
University of Sussex	350,575	38,068	0	388,644
University of Teesside	471,675	24,214	25,568	521,456
Thames Valley University	667,684	34,391	32,402	734,478
University College London	470,069	190,342	0	660,411
University of Warwick	380,575	107,006	0	487,581
University of West of England, Bristol	816,952	80,591	3,992	901,535
University of Westminster	657,837	71,967	0	729,804
University of Wolverhampton	976,498	66,089	0	1,042,587
University of York	316,215	71,916	0	388,130

General colleges	UG	PG	FE	Total
Bath Spa University College	176,928	32,501	0	209,428
Bolton Institute of Higher Education	357,297	49,152	2,938	409,387
Buckinghamshire Chilterns University College	296,272	10,462	4,776	311,510
Canterbury Christ Church University College	259,944	68,109	0	328,053
Cheltenham and Gloucester College of HE	339,777	28,538	3,592	371,907
Chester College of Higher Education	156,936	11,550	0	168,486
University College Chichester	219,215	20,329	0	239,544
Edge Hill College of Higher Education	284,351	51,690	0	336,041
King Alfred's College, Winchester	189,884	9,970	0	199,854
Liverpool Hope	288,734	31,905	8,991	329,629
University College Northampton	464,181	17,713	4,661	486,555
College of Ripon & York St John	178,823	13,544	0	192,368
St Mary's College	114,307	13,311	0	127,618
Southampton Institute	729,632	16,393	7,025	753,050
University of Surrey Roehampton	369,035	49,437	0	418,472
University College Worcester	205,264	22,323	2,292	229,879

Specialist colleges	UG	PG	FE	Total
Bishop Grosseteste College	50,212	4,299	0	54,511
Bretton Hall	157,779	22,064	0	179,843
Central School of Speech and Drama	29,092	11,964	1,031	42,087
Cranfield University	34,899	101,878	0	136,777
Cumbria College of Art & Design	53,691	0	12,921	66,612
Dartington College of Arts	34,600	311	0	34,911
Institute of Education	699	112,755	0	113,454
Falmouth College of Arts	71,327	6,060	6,860	84,247
Harper Adams University College	53,669	3,294	677	57,639
Homerton College, Cambridge	33,392	35,038	0	68,431
Kent Institute of Art & Design	95,301	1,398	21,965	118,665
University of London	8,008	22,481	0	30,489
London Business School	0	23,633	0	23,633
London Sch of Economics & Political Science	90,862	55,043	0	145,905
London Sch. of Hygiene & Tropical Medicine	0	18,905	0	18,905
The London Institute	408,781	29,626	225,353	663,760
Newman College	79,123	4,351	0	83,473
Northern School of Contemporary Dance	9,642	0	1,630	11,273
Norwich School of Art & Design	46,010	363	9,952	56,324
School of Oriental and African Studies	96,589	36,282	0	132,870
School of Pharmacy	22,805	5,697	0	28,502

Specialist colleges	UG	PG	FE	Total
Ravensbourne College	35,337	0	5,199	40,536
RCN Institute	19,958	518	0	20,476
Rose Bruford College	31,495	1,010	0	32,505
Royal Academy of Music	23,862	21,874	0	45,736
Royal College of Art	0	159,848	0	159,848
Royal College of Music	34,469	10,511	0	44,979
Royal Northern College of Music	20,189	5,879	0	26,067
Royal Veterinary College	25,147	6,267	0	31,414
St George's Hospital Medical School	45,884	1,968	0	47,852
College of St Mark & St John	168,779	24,602	0	193,382
St Martin's College	260,798	44,206	0	305,004
The Surrey Inst of Art & Design Univ College	123,944	880	11,136	135,961
Trinity & All Saints	173,975	26,503	0	200,478
Trinity College of Music	19,558	4,242	0	23,800
Wimbledon School of Art	29,146	1,139	3,953	34,239
Writtle College	57,257	0	35,042	92,300
Total	**49,069,263**	**6,755,213**	**1,024,649**	**56,849,126**

£75,774 has been allocated from the Hardship Fund to the Teacher Training Agency (TTA) for school-centred initial teacher training (SCITT) students.

10

Appendix 2

Hardship Fund and updated Access Bursary Fund guidance

Index

Essential information for administrators for 2000-01	Paragraph
Review of Access Funds and Hardship Loans – autumn 1999	1
Changes for 2000-01	7
Good practice in administering the Funds	18
Priority groups for help from the Hardship Fund	23
Other changes for 2000-01: means-testing and school meals grant	25
Frequently asked questions	26

Main guidance

Section 1: Purpose and scope

What is the Hardship Fund for?	1
Who is eligible for help?	2
Treatment of Student Loans	7
Help for disabled students	10
Students on benefit in the second and subsequent years of their course	11
Short-term loans for students who have not received their loan cheque	13
Students on franchised courses at FE colleges	15
Students eligible for the Care Leavers' Grant	16
Final year students	17
Students who are not attending because they are sick	18
Bursaries through the Hardship Fund	22
Treatment by the DSS of payments from the funds	24
Deciding whether a student should receive a payment	29
When and how should payments be made?	30
What the Hardship Fund cannot be used for	34
Appeals from students	35
Information about payments from the Hardship Fund	36

Section 2: Funding arrangements

Total amounts available in the funds	1
Payment to institutions	2
Financial conditions and auditing requirements	4
Carry forward of unspent funds	6
How the Hardship Fund has been allocated	9

Section 3: Updated Guidance on Access Bursaries for mature students

Annexes

A: Conditions relating to residence

B: Dance and Drama Awards: Connected institutions

C: Advice on issuing short-term loans from the Hardship Fund

D: Form of words for students to give to their Benefits Office

E: Report on the use of Access Funds for 1998-99

F: 2000-01 monitoring requirements (Access Bursaries and Hardship Fund)

Essential information for administrators of the Hardship Funds 2000-01

Review of Access Funds and Hardship Loans – autumn 1999

1. You will know that the Department undertook a review of Access Funds and Hardship Loans in the autumn term of 1999. The review looked at ways in which Access Funds and Hardship Loans could be used more effectively to widen access and prevent hardship. The full report of the review is available on the DfEE web-site:
http://www.dfee.gov.uk/support/index.htm

2. Responding to the financial concerns of mature students, highlighted by the review, the Secretary of State for Education and Employment announced in January 2000, a package of measures for mature and disadvantaged students costing £68 million in a full year, designed to widen access and to help those in financial hardship.

3. The review confirmed the importance of Hardship Funds to vulnerable students. However, it also found a wide variation in the level of administrative resource made available by institutions for this important work, which had a critical effect on the service offered to students.

4. The Secretary of State attaches great importance to the funds, which he wants to be used both to widen access and prevent hardship and so to reduce drop-out. He has emphasised to the Council that institutions should resource the administration of the funds adequately, in order to meet this objective.

5. The review has also led to other changes. The guidance is being published earlier this year, as institutions have requested. This will enable institutions to give commitments from the Hardship Funds to students in advance of the start of the academic year if they wish.

6. The Council has also revised the way in which allocations are calculated, to ensure that the funds are distributed more fairly between institutions. As a result some institutions will receive proportionately less than they have done in previous years. The first payment of the Hardship Fund to institutions will again be made by the Council early in September.

Changes for 2000-01

7. The main changes to the current arrangements are as follows.

A split of the money previously available through the Access Funds into:

- an Access Bursary Fund, to provide bursaries for mature students in 2000-01
- Opportunity Bursaries for young people from disadvantaged backgrounds in 2001-02
- a general Hardship Fund, to help individual students who get into difficulty during the course.

8. Mature students (that is, those aged 25 and over) at the time of applying to the Hardship Fund will no longer be expected to take out a Hardship Loan before receiving help from the Hardship Fund. Younger students must take out a Hardship Loan first. Students will be able to make two applications for a Hardship Loan, up to the maximum £500, each year from September 2000.

9. Institutions may carry forward any unspent Access Funds into 2000-01. Similarly, from the end of 2000-01, institutions may carry forward unspent monies from their combined Access Bursary and Hardship Funds, subject to certain conditions which are set out in Section 2 paragraphs 6-8.

10. Institutions are reminded that students attending any franchised courses at FE institutions are included within their allocations for the Hardship Fund and should be able to apply for help from the Hardship Fund at their place of study wherever possible (see Section 1 paragraph 15).

11. Part-time disabled students whose disability prevents them from attending a 50 per cent full-time equivalent (FTE) course are now eligible to apply for help from the Hardship Fund, providing that they are studying at least 25 per cent FTE (see Section 1 paragraph 3)

12. Disabled students who need financial help in paying for diagnostic tests when they apply for the Disabled Students Allowance (DSA) can now receive help from the Hardship Fund (see Section 1 paragraph 10).

13. Students starting the second or subsequent years of a course whose benefit ceases to be paid on 1 September but who have not yet received their loan cheque can receive help from the Hardship Fund before they enrol on the course (see Section 1 paragraph 11).

14. Advice has been included on when help can be given to students who are sick or absent from their course (see Section 1 paragraphs 18-21).

15. The Department of Social Security (DSS) has clarified the benefits position of students receiving payments from both the Access Bursary Fund and the Hardship Fund (see Section 1 paragraphs 24-28).

16. Institutions can use interest from the Hardship Fund to help pay for the training of staff, for example, in offering money advice, and for publicising the funds (see Section 1 paragraph 1).

17. A change to the residency rules means that spouses and children of members of the armed forces may now be eligible for the Hardship Fund even if they have not been living in the UK for the last three years. There is also a small change to the rules for some students with indefinite leave to remain (see Annex A).

Good practice in administering the funds

18. One of the aims of the review was to disseminate good practice. The Department will be publishing a detailed Good Practice Guide later in the summer, which will include case studies on the administration of funds and running a bursary scheme.

19. The review found some significant differences between institutions in the way that Hardship Funds were administered. For example, some institutions processed applications for help throughout the year on a rolling programme, while others considered applications at two or three fixed points during the year. **The Secretary of State expects students to be able to receive the help they need in a timely fashion, in order to prevent unnecessary drop-out due to hardship.**

> 20. The review therefore recommends that institutions should enable students to apply for help at any time during the academic year, and that they should receive the help they need as quickly as practicable. The Department recommends that institutions combine Hardship Loans and Hardship Fund applications, where possible, rather than expecting students to apply for and spend a Hardship Loan before making a later application for the Hardship Fund.

21. The Good Practice Guide will offer more detailed advice on this and a wide range of other issues relating to the administration of the funds.

22. Institutions should be proactive in preventing students from falling into hardship wherever possible. For example, administrators might arrange to talk to individual students, in particular lone parents, mature students and others from low income families, at an early stage or before they start the course, to see whether the Hardship Fund could be used to help them.

Priority groups for help from the Hardship Fund

23. The Secretary of State expects institutions to give priority for help to the following groups:

- mature students, especially lone parents
- disabled students
- care leavers who are not eligible for the Care Leavers' Grant
- final year students
- part-time students.

24. Guidance on the fee waiver scheme for part-time students (whose course is at least 50 per cent of an equivalent full-time course) who lose their jobs, or who are on benefits or on low incomes will be issued to institutions separately, together with advice on the loans scheme for part-time students.

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Other changes for 2000-01

25. From September 2000, the amount of income which mature students can have disregarded when assessing their entitlement to student support is being increased from the current minimum of £820 to £7,500. This applies to existing as well as new students. Also from September 2000, all students with dependant children aged 3 to 16 will be eligible for a means-tested grant to meet the cost of school meals paid through their local education authority (LEA). Students who receive the school meals grant should not receive help from the Hardship Fund to cover these costs.

Frequently asked questions

Are NHS students eligible for the Hardship Fund?

26. Yes, if they are eligible for a means-tested NHS bursary. If they are eligible for a non means-tested NHS bursary, they are not eligible for the Hardship Fund.

Some Muslim students will not take out a loan because they believe it is against their religion. Are they eligible for the Hardship Fund?

27. Students must take out their student loan, if they are eligible for one. A student who chooses not to take out a student loan, for whatever reason, should not receive help from the Hardship Fund. Institutions may find it helpful to explain that the interest rate attached to student loans merely repays the loan in real terms, and is tied, by primary legislation, to the rate of inflation. It is not an interest rate in the commercial sense of the word, and no profit is made from the interest paid by borrowers.

Can the Hardship Fund be used to help a student whose parents refuse to make their contribution to his or her living costs?

28. The Hardship Fund should not be used simply to make good a lack of parental contribution as a matter of course. The fund is intended to help students in hardship, and on that basis an institution may help any eligible student in need. It is important to emphasise, however, that institutions should treat such cases carefully, and that it is made clear that no student has an automatic right to a payment from the Hardship Fund where the parental contribution is lacking. Institutions must of course check that the student has applied for the maximum loan they are entitled to. Where a student's parents have refused to complete a financial assessment form, and the student has therefore only been able to take out the non means-tested element of their loan, this does not make them ineligible for the Hardship Fund.

How do I decide if a student's course is 50 per cent FTE when there is no full-time equivalent course to compare it to?

29. The Department cannot provide a ruling on this. As a guide, institutions should consider how long it would take to achieve the relevant qualification if the course were taken full-time. If the part-time course would take more than twice as long to complete as a full-time course, it is unlikely that a student on that course would be eligible for help from the Hardship Fund.

Can the Hardship Fund be used to pay the arrears on a student loan, where the student has defaulted?

30. No. However, if a student is in hardship as result of not being able to receive a student loan, that student would be able to apply for help in meeting living costs.

Can students apply more than once during an academic year for help from the Hardship Fund?

31. Yes. Students' circumstances can change in the course of a year, and there should not be any set limit on the number of times a student can apply for help from the fund.

Can the Hardship Fund be used to pay for communal activities, such as a minibus to transport disabled students?

32. No. The Hardship Fund cannot be used to pay for capital expenditure over £2,500, and should only be used in accordance with the conditions set out in Section 2, paragraph 4.

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Where can I get further advice?

33. The Department is currently preparing a Good Practice Guide, to be published in summer 2000, which will provide practical advice to institutions on the running of the Access Bursary and Hardship Funds.

34. If institutions would like further advice on administering the funds, please ring one of the contacts at the front of this document.

Main guidance

Section 1: Purpose and scope

What is the Hardship Fund for?

1. The Hardship Fund provides financial help to students who face difficulty in meeting their living costs, for whatever reason, whether it is due to their personal circumstances (for example, mature students, or disabled students) or because they fall into hardship unexpectedly. Any interest gained from the Hardship Fund may be used to defray audit costs, to pay for staff training (such as in finance counselling) or to publicise the Hardship Fund.

Who is eligible for help?

2. The Hardship Fund is for home students in one of the following categories:

- undergraduate students, either full-time or part-time, following a higher education course (including sandwich courses and any periods of placement)
- postgraduate students, either full-time or part-time, following a course of higher education at a level above first degree
- further education students, either full-time or part-time, who are aged 16 or over and are following a course of further education (including sandwich courses and periods of placement).

A home student is defined as one who meets certain conditions which also apply to eligibility for a student loan. Normally this means they must have an unrestricted right to enter and remain in the UK, and to have been ordinarily resident in the UK for three years prior to the start of the course, but there are exceptions. Full details on eligibility and residency rules are in Annex A.

Part-time students

3. To qualify for help, a part-time student must be studying at least 50 per cent of a full-time course in an academic year (for example, 60 credit points where the full-time equivalent is 120). An exception to this limit can be made in the case of disabled students, whose disability prevents them from studying at least 50 per cent of a full-time course. These students are not eligible for a Disabled Student Allowance (DSA) and may need some additional support. These students must be studying for at least 25 per cent of a full-time course.

NHS bursary holders

4. Students who receive a means-tested NHS bursary are eligible to apply for help from the Hardship Fund. Students who receive a non means-tested NHS bursary are not eligible.

ITT and PGCE students

5. Students on initial teacher training (ITT) courses must have applied for help from the Secondary Shortage Subject Scheme, if eligible, before applying for the Hardship Fund. Postgraduate (PGCE) trainees eligible for training salaries announced on 30 March 2000 should expect to have these taken into account when making a Hardship Fund application.

Dance and Drama Award students

6. Students in receipt of a Dance and Drama Award for a higher education course, and who meet the residency requirements, are eligible for the Hardship Fund via their connected higher education institution. Their numbers have been taken into account in allocating funding to the connected institution. Institutions should ensure that Dance and Drama Award students are aware of the Hardship Fund and know where to apply for help. The list of connected institutions for Dance and Drama Awards is at Annex B.

Treatment of Student Loans

Full-time students

7. A full-time student must have taken out a student loan, if eligible, before receiving help from the Hardship Fund; and in the case of students applying for loans through their LEA, they must have applied for their full assessed entitlement. The only exception to this rule will be emergency payments to students at the beginning of term (see paragraphs 12 and 13 of this section). Institutions should contact the Student Loans Company if they are unsure whether the student has taken out the maximum loan available to them.

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Part-time students

8. From September 2000, part-time undergraduate students can apply for loans of up to £500 if their income is below the threshold of £13,500. These loans will be fully means-tested. Part-time students who are eligible for a loan should not be given help from the Hardship Fund if they have chosen not to apply for the loan. When considering applications for help from part-time students, institutions should consider whether the student is likely to be eligible for a loan, and whether or not the student has applied. The Hardship Fund can be used for part-time students who are ineligible for a loan because of other income. In the latter case, institutions should consider the student's financial circumstances in the usual way.

9. Institutions should note that LEAs will not consider applications for loans from part-time students until November, and students will not be paid their loan until after the start of the second term, that is, January. Where part-time students have applied, or are intending to apply for their student loan, they can be given help from the Hardship Fund in the first term. However, subsequent payments or instalments of payments should only be made after the student has received their loan.

Help for disabled students

10. Disabled students, especially those with dyslexia, who wish to apply for a preliminary diagnostic test, prior to applying for a DSA, may have difficulty meeting the cost of that test. The cost cannot be provided by the DSA, even retrospectively, for legal reasons. Assistance in meeting the cost of the test, and associated costs such as travel to the assessment centre, may now be provided through the Hardship Fund. Students can also receive help for other disability costs from the Hardship Fund. Students who face financial difficulty because they have disabled dependant children may also need additional help. Disabled students who have to study for less than 50 per cent FTE because of their disability are also now eligible for the Hardship Fund, provided that they study at least 25 per cent FTE.

Students on benefit in the second and subsequent years of their course

11. First year students who have not yet registered with their institution will still be able to claim any income-related benefit to which they are entitled until they register on the course.

12. However, since the DSS takes the student loan into account from 1 September to 30 June inclusive, students who are about to start their second or subsequent year may find themselves with insufficient support during the period from 1 September until they receive their first loan instalment, and may need help from the Hardship Fund. Institutions may wish to set aside some money which they can carry forward into the new academic year in order to help these students before the start of the autumn term.

Short-term loans to students who have not received their loan cheque

13. Most students will receive their student loan cheque at the start of the autumn term, but some students who make a late decision to enter higher education may not receive their cheques until later. The Secretary of State does not want students in this position to be in hardship, and asks institutions to help them with a payment from the Hardship Fund to tide them over. This support should be in the form of a short-term loan, repayable to the institution when the student loan cheque arrives.

14. Institutions should only need to help with students' immediate needs over a few days or weeks, and only if the student has no other means of support, such as their parental contribution, or summer job savings. More detailed advice on making these loans is at Annex C.

Students on franchised courses at FE colleges

15. Students who attend a franchised course at an FE college, or who are on a course provided jointly by an HE and an FE institution, remain the responsibility of the 'parent' HEI. Students on franchised or partnership courses should be able to apply for help from the Hardship Fund just as easily as those at the parent HEI, and wherever possible

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through the college they attend. This will prevent them having to make unnecessary journeys to apply for and collect money. Institutions might like to consider setting aside an appropriate proportion of their Hardship Fund for franchised students, for their franchised or partner FE college(s) to administer. Institutions with distant campuses must also ensure that students there can apply for the Hardship Fund. This should be at the campus they attend wherever possible.

Students eligible for the Care Leavers' Grant

16. Students currently need to be under the age of 21 at the start of their course to qualify for a Care Leavers' Grant. Care leavers who are not eligible for the grant should be given priority consideration. Subject to Parliament, the Department of Health's Children (Leaving Care) Bill is expected to come into force on 1 April 2001. This will require local authorities to provide vacation accommodation for those who have previously been in care up to the age of 24. Once that Bill comes into effect, care leavers over the age of 24 should still be given priority consideration for the Hardship Fund.

Final year students

17. Institutions should give particular consideration to final year students, especially where they do not wish to continue any part-time employment to devote more time to their studies. Some students, such as those on design or fashion courses, also have higher costs in their final year.

Students who are not attending because they are sick

18. Where students are ill and absent for up to 60 days, they are treated as if they are still attending the course and therefore entitled to receive any instalments of student loan and allowances (if applicable) during that time. They can also apply for and receive help from the Hardship Fund. Where students are absent for any other reason, such as bereavement, family illness, caring duties or pregnancy, it is at the discretion of the LEA whether the student continues to receive any instalments of loan or allowances. In these circumstances institutions have discretion to make a payment from the Hardship Fund, provided the LEA has not decided that the student has withdrawn from the course and stopped the payment of any instalments of loan.

19. At the end of the statutory 60 days absence for illness, LEAs have a discretion to continue to pay any remaining instalments which may be due. Again, if they exercise this discretion, institutions may make a payment from the Hardship Fund. However, if the LEA decides that the student has withdrawn from the course, and stops the payment of any further instalments of loan or allowances, the student should not receive a payment from the Hardship Fund.

20. If a student is unable to return to the course until the following academic year, but has recovered from their illness, or no longer has any caring duties, they will be able to claim Job Seekers Allowance (JSA) for the period until they return to the course, subject to Parliamentary approval of the necessary Regulations. Students in this position who are claiming JSA are not eligible for a payment from the Hardship Fund.

21. In exceptional circumstances, if a student is unable to return to the course and the LEA has stopped payments of student support, but the student is unable to claim JSA, for example if they are pregnant, institutions may, at their discretion, make a payment from the Hardship Fund if they judge that the student may not be able to rejoin the course unless they receive such help.

Bursaries through the Hardship Fund

22. The new Access Bursary Fund will provide resources for specific targeted bursaries such as those for mature students in 2000-01 and the Opportunity Bursaries from 2001-02. However, institutions can, if they wish, use up to 10 per cent of their Hardship Fund allocation for other bursaries. Bursaries can be used to help any student eligible for assistance from the Hardship Fund who would otherwise be deterred from entering higher education.

23. A key principle for these bursaries is that they can be awarded in advance of the student starting the course, although the student should not receive

any payment until the course has started. Institutions may also undertake to support the student for the duration of the course. The carry-forward arrangements will enable institutions to set some funding aside to help them meet future bursary commitments.

Treatment by the DSS of payments from the funds

24. The Department has been discussing with the DSS how both Access and Hardship Fund payments should be treated for benefits purposes. Subject to Parliamentary approval, the DSS proposes to disregard in full any Access Bursaries for mature students, as they are not intended for general living costs.

25. The DSS also proposes to disregard any payment from the Hardship Fund which is not given to meet general living costs. For example, if the Hardship Fund is used to help a student with childcare or travel costs, books or equipment, it will not be taken into account for income assessment purposes by the DSS. Where payments for non-general living costs are made in instalments this will not make any difference to the way the payment is treated by the DSS.

26. Payments over £3,000 for non-general living costs will be disregarded in full. Short-term loans from the Hardship Fund, for students who have not yet received their loan cheques, will also be disregarded.

27. As far as Hardship Fund payments for general living costs are concerned, if the payment is one of a series, the DSS will disregard £10 per week. Lump sum payments from the Hardship Fund will be taken into account as capital if they are intended to meet general living costs (to pay an electricity bill, for example). Other payments (such as for childcare, equipment or travel costs that are course related) will be disregarded for 52 weeks from the date of payment. These payments will therefore only affect a student's benefit entitlement if their capital limit exceeds £3,000.

28. It will help students who have received a payment from the Access Bursary or Hardship Fund in claiming benefits if they are given a document to present to their local Benefits Agency. The suggested form of words is at Annex D.

Deciding whether a student should receive a payment

29. It is for institutions to decide an individual student's need, and they should have a fair and open system for making this decision. Institutions should consider whether the claimed shortfall between income and expenditure constitutes real need, and cannot be reduced to a more manageable level through action by the student. Institutions should also consider the availability of support from other sources. Money advisers can be particularly helpful in enabling a student to manage a budget (for example through debt counselling) and in maximising their available resources (for example by ensuring that they claim benefits to which they may be entitled).

When and how should payments be made?

30. Hardship Fund payments can be agreed in principle prior to the start of the academic year, although they cannot be paid until the student has started the course. They can be offered in addition to an Access Fund Bursary. Hardship Fund payments can be used where appropriate as part of a package with Hardship Loans. Many institutions have found this a helpful approach in tackling students' needs.

31. The Hardship Fund should not normally be used to make very small payments to students, unless the institution believes this is appropriate. On the other hand, very large payments reduce the money available to other students. We recommend a minimum level of £100 and a maximum level of £3,500 in any one year, but institutions may make exceptions to these levels in special cases, such as disabled students who are not eligible for a DSA, where a payment larger than £3,500 may be necessary.

32. Payments can be made directly to a student, or to a third party, through the provision of items for the student (such as a PC), or through a short-term repayable loan. Help may also be provided through the loaning of equipment (such as a PC, or a wheelchair) which would remain the property of the

institution. Payment to a third party should not be made without the student's consent. In particular, institutions should not use payment to a student from the Hardship Fund as a means of paying off directly a debt owed to the institution itself, without the student's agreement. Institutions may, however, take into account any outstanding short-term loan from the fund which the student has not repaid, when determining how much to give a student from the Hardship Fund.

33. Payments from the Hardship Fund can be made in instalments (weekly, monthly, termly or quarterly payments). This can help students to manage their budgets, and can also help institutions to manage theirs: if a student's circumstances change, or if there are more resources in the budget than first envisaged, then the level of payment can easily be reviewed.

What the Hardship Fund cannot be used for

34. The Hardship Fund should not be used to help students meet their tuition fees. Neither should it be used to make adaptations to buildings, or to meet staff salaries or any cost of administering or publicising the funds. The Fund should not normally be used to provide communal facilities, such as a crèche.

Appeals from students

35. Institutions should have an appeals procedure in place for cases where students have applied unsuccessfully for help from the Hardship Fund. This procedure should be clear, and students must be informed of their right to appeal. It is for institutions to consider each case and resolve appeals; cases should not be referred to the HEFCE or the Secretary of State. Institutions are, of course, welcome to contact the Council or the DfEE for clarification of policy or procedure when deciding applications.

Information about payments from the Hardship Fund

36. The Department asks the Council to submit an analysis on the use of the Hardship Fund at the end of each academic year. This provides useful information for the Department on how the fund has been spent, the main recipients and reasons for payment, and informs future policy making. Both the Department and the Council are grateful for the time spent by institutions in completing these returns.

37. For the first time, the data that the Council collect are being made available to institutions; the summary for 1998-99 is attached at Annex E. The Council expects to publish the 1999-2000 data early in 2001. The information sought to enable the Department to monitor the use of the funds has been slimmed down for 2000-01. Please provide the information requested at Annex F using the forms shown, which will also be made available electronically by the Council.

Total amounts available in the funds

1. The sums of money which the Council is allocating to institutions for 2000-01 is as follows:

a. £14.69 million is available for the Access Bursary Fund to be spent on Mature Student Bursaries. Guidance was sent to institutions on the Mature Student Bursaries earlier this year and is also incorporated into this publication.

b. £56.9 million is available for the Hardship Fund.

c. £12.8 million is available for the part-time students' Fee Waiver Fund. This covers the fee remission scheme for part-time students who lose their jobs or who are on benefits or low incomes.

Payment to institutions

2. The total Hardship Fund for 2000-01 is £56,924,900. Institutions will be paid in three instalments as follows:

- £34,154,940 (60 per cent) in September 2000
- £17,077,470 (30 per cent) in January 2001
- £5,692,490 (10 per cent) in March 2001.

3. The September payment will be made early in the month to enable institutions to meet commitments at the beginning of term.

Financial conditions and auditing requirements

4. Institutions must observe the following:

a. The fund must only be used for the purposes specified in this guidance.

b. The fund must only be made available to eligible students as specified in this guidance.

c. Any interest gained on the fund must be:

- paid to students, as part of the normal allocation of the resources available
- used to defray audit costs
- used to pay for the training of staff in the administration of the funds or in advising students on money matters (finance or debt counselling)
- used for publicising the funds.

5. Each institution's auditors are required to certify that the Hardship Fund and Access Bursary Fund, and any interest earned on them, have been applied in accordance with the terms and conditions of the grant, and this guidance. This can be done by accounting for both funds within the main audited accounts which institutions send to the Council by 31 December each year. The Hardship Fund and Access Bursary Fund should be treated as a balance sheet item, not as income. Institutions must show in the note to their audited accounts how the funds were used in the previous academic year, giving receipts, payments and closing balance. Institutions must identify in their monitoring returns any interest accrued on Hardship Fund balances.

Carry forward of unspent funds (for Hardship Fund and Access Bursary Fund)

6. From the end of 1999-2000, institutions will be able to carry forward a proportion of their total allocation of funds at the end of each academic year without reference to either the Council or the Department. This is not intended to encourage institutions to underspend, but to encourage them to plan ahead. Institutions can set aside some funds in order to help them meet commitments in future years for students to whom they have provided bursaries, and can also ensure they have sufficient funds to help students over the summer vacation period and at the beginning of the following academic year.

7. Institutions will normally be allowed to carry forward up to 10 per cent of their allocations each year without reference to the Council or the Department. However, the Council will review this periodically to ensure that institutions are making use of the funds carried forward and are not simply carrying forward an unused surplus each year.

8. Institutions will be able to carry forward any unspent funds above 10 per cent at the end of 1999-2000. However, any excess carry forward above 10 per cent will be clawed back at the end of 2000-01, if the institution has not made use of it or cannot show that it needs to carry forward more than 10 per cent to meet continuing commitments.

How the Hardship Fund has been allocated

9. Of the £56,924,900 available for the Hardship Fund in England:

- £1,024,648 (1.8 per cent) has been allocated for further education students
- £49,069,264 (86.2 per cent) has been allocated for undergraduate students
- £6,830,988 (12 per cent) has been allocated for postgraduate students.

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Section 3: Updated guidance on Access Bursaries for mature students

1. This section contains an updated version of the guidance sent to institutions in April. We are reissuing it now to clarify some points which were not agreed when the guidance was originally issued and to answer a number of questions which institutions have put to us. The changes are as follows:

a. The DSS proposes to disregard the bursaries in full. We are providing a different form of words for a document which students can present to their local Benefits Agency. See paragraphs 17-18 below.

b. Students who have a non means-tested NHS bursary are not eligible for Access Bursaries. See paragraph 22 below.

c. TTA Bursaries means bursaries through the Secondary Shortage Subject Scheme. See paragraph 7 below.

d. Additional advice has been included about maximum and minimum payments. See paragraphs 10-11 below.

e. A change to the residency rules means that spouses and children of members of the armed forces may now be eligible for an Access Bursary even if they have not been living in the UK for the last three years. There is also a small change to the rules for some students with indefinite leave to remain (see Annex A).

Introduction

2. The Secretary of State announced on 25 January 2000 that £17 million had been made available to provide non-repayable bursaries for full-time mature students with dependants in the academic year 2000-01. The money will be provided through an Access Bursary Fund.

Bursary allocations

3. The Access Bursary allocations will be paid to institutions in September 2000. They are set out in Circular letter 9/00. In order to give institutions some flexibility in administering these bursaries, the HEFCE will initially allocate only 80 per cent of the total funds available. The allocations take into account the numbers of full-time mature students in the institution studying for their first undergraduate degree, and have also been weighted to reflect social disadvantage. The remaining 20 per cent will be allocated to institutions in November. Institutions are asked to complete monitoring information as at 31 October, indicating their actual spend and commitment on bursaries, their estimated future spend and any unspent funds they wish to return. Details are at Annex F.

4. During November the Council will allocate the remaining 20 per cent of funds, and any returned funds, on the basis of this information, which will take account of late applications through clearing. HEIs will want to make bursaries available to students who come through this route, particularly when they have been provisionally offered a bursary from another HEI. Priority for the remaining 20 per cent of funds will be given to institutions whose monitoring information shows that they have the greatest need of additional Bursary Funds.

Eligibility for the bursaries

5. The Access Bursaries for mature students should only be awarded to full-time undergraduate home students and full-time or part-time (where part-time is at least 50 per cent full-time equivalent) home students on initial teacher training courses. In this context, 'home' student means a student who meets the conditions relating to residence set out in Annex A.

Who are the bursaries for?

6. The bursaries are for full-time undergraduate, and full-time and part-time schools-centred initial teacher training (SCITT) and PGCE mature students (that is, aged 25 and over) with dependant children, according to need. Within this group, priority should be given to lone parents. Bursaries can be given to existing students as well as new entrants. If funds are available, students aged under 25 who are lone parents or who have dependant children can also receive a bursary, if the institution considers that they are in need of this additional help. Institutions can use money from their Hardship Fund to increase the total amount awarded for bursaries if their allocation from the Access Bursary Fund is insufficient to meet demand.

7. SCITT or PGCE students who are eligible to

apply for a Teacher Training Agency (TTA) bursary through the Secondary Shortage Subject Scheme should apply for that first, rather than an Access Bursary. Mature students who receive a TTA bursary should not receive an Access Bursary as well. They will, however, continue to be eligible for help from the Hardship Fund.

8. When awarding bursaries, institutions should bear in mind that from September 2001, a Childcare Grant will be available to existing and new full-time students with dependant children, which is intended to replace both the Access Bursaries for mature students and the current flat rate lone parents' grant. Any students who are given an Access Bursary in 2000-01 who do not later qualify for the Childcare Grant can continue to receive the bursary for the remainder of their course, if their circumstances remain unchanged. There may also be some circumstances where students qualify for the Childcare Grant but also have a need for some additional support through an Access Bursary. Money will be set aside within the Access Bursary Fund in 2001-02 to cover these continuing commitments. Institutions will also be able to carry forward funds to meet such commitments, if they wish.

What are the bursaries for?

9. The bursaries are available to meet the costs of childcare, travel and other course-related costs. They should not be given to help pay contributions to tuition fees. The bursaries are also not intended to meet general living costs. Payments from the Hardship Fund can be used to help mature students who need such additional support.

How much can individual students receive through Access Bursaries?

10. Bursaries of up to £1,000 can be given to individual students, based on need. Institutions should also have regard to the availability of funding when deciding how much to give to individual students. Institutions can, if they wish, increase their overall bursary allocation by adding money from their Hardship Fund allocation, subject to the need to leave sufficient resources within their Hardship Fund to meet expected demand. The maximum amount which a student can receive in total from both funds is £4,500. If institutions decide to award more than £1,000 as a bursary (by giving the student an additional bursary from the Hardship Fund) this counts towards the total of £4,500.

11. Bursaries are intended to make a difference to students' ability to start, or stay on, a higher education course. For that reason, amounts of less than £100 are not recommended, but decisions about how much to give individual students are entirely for institutions to determine.

Can mature students who receive bursaries also receive help from the Hardship Fund?

12. Mature students can apply for help from the Hardship Fund throughout the year if they are in need. We would encourage institutions to look at a student's overall needs when awarding bursaries and to offer additional help from the Hardship Fund at the same time, if that is considered necessary. This builds on the approach we have advocated this year in offering Hardship Loans and Access Funds as a package of help. Mature students can, if they wish, continue to take out a Hardship Loan each year but it will no longer be a requirement for them to do so before receiving help from the Hardship Fund.

When should the bursaries be paid to students?

13. Bursaries should not be paid to students until they have enrolled and are attending the course. However, we would encourage institutions to begin assessing applications and awarding the bursaries well before this and, ideally, during the summer term. Many mature students may wish to apply for the bursary before finally deciding whether to take up a place on a course. The firm commitment of a bursary may be an important factor in their deciding to do so.

How will mature students know about the bursaries?

14. We have produced a leaflet called 'Making a Difference' which provides information on help available to mature students and others currently under-represented in higher education. The leaflet advises mature students to contact their HEI to ask

about applying for a bursary at the same time as they apply for the course. Institutions have received copies of the leaflet to give to mature students, and copies have also been sent to LEAs, FE colleges, Job Centres and others. Institutions should ring 0800 731 9133 for further copies if needed.

15. Institutions should ensure that prospective and existing students know about the bursaries, and when, how and where to apply for them. We would encourage institutions to ensure that staff are able to answer questions from prospective students about the bursaries and how they will operate. It will be particularly important for this information to be available to staff who have contact with prospective mature students, such as admissions personnel and course tutors. Mature students on access or foundation courses at feeder colleges should also be made aware of the availability of the bursaries, and when, how and where to apply for them. We look to institutions to be proactive in contacting feeder colleges, to target students on access courses.

How should the bursaries be paid?

16. We are giving flexibility so that institutions can decide how to pay the bursaries, in a way that suits the needs of the institution and the student. For example, they can be paid in one lump sum, or in instalments (for example weekly, termly or quarterly) or on the basis of actual costs incurred. If the bursaries are given to meet the costs of childcare, payment can be made direct to a third party such as a childminder or nursery.

How will the bursaries be treated by the DSS?

17. The Department has been discussing with the DSS how both Access Bursary and Hardship Fund payments should be treated for benefits purposes. Subject to Parliamentary approval, the DSS proposes to disregard in full any Access Bursaries for mature students as they are not intended for general living costs. Further details on the treatment of Hardship Fund payments for benefits purposes can be found in Section 1, paragraphs 25-27.

18. It will help students who have received payments from the Access Bursary Fund or the Hardship Fund in claiming benefits if they are given a document to present to their local Benefits Agency. A form of words is given in Annex D.

How should institutions assess need?

19. We have set broad criteria for the awarding of the bursaries because we believe that institutions are best placed to assess who should receive them. We also believe that it should not be necessary for institutions to carry out a detailed income assessment when deciding who should receive a bursary, since it is not intended to help meet general living costs. Institutions should, however, look at estimates of likely or actual childcare, travel or other course costs, and ability to meet these costs, in order to decide how much to award to individual students.

Priority in allocating the bursaries should be given to mature students who:

- receive the lone parents' grant (given that this will be replaced by the Childcare Grant in 2001-02), or
- receive allowances for dependant children, or
- are on benefit, or whose partner is on benefit, or
- whose partner is in receipt of Working Families Tax Credit or
- who have a gross family income of about £10,000 or less.

20. Institutions may also need to look at other factors, such as the student's ability to complete the course without the bursary. As explained above (paragraph 6), bursaries can also be given to younger students who are lone parents or who have dependant children, if institutions consider there is a need to do so and there is sufficient funding available.

Students on franchised courses

21. Institutions should note that responsibility for students who attend franchised courses at further education colleges rests with the 'parent' HEI. It is important that these students are informed about the bursaries, and can apply without difficulty and at the right time, and that their applications are

considered on an equal footing with students attending the HEI. FE colleges have received guidance from the FEFC on the bursaries for their own HE students on non-franchised courses.

Can NHS students receive bursaries?

22. NHS students who receive non means-tested NHS bursaries are not eligible for Access Bursaries. Students whose NHS bursaries are means-tested can receive an Access Bursary.

Can institutions give out other bursaries?

23. Institutions continue to have discretion to give bursaries to other students (including students awarded bursaries in 1998-99 and 1999-2000), but the money should come from the Hardship Fund in 2000-01 and should not exceed 10 per cent of the Hardship Fund allocation. The Access Bursary Fund should be used for full-time mature students' bursaries only in 2000-01. The Access Bursary Fund can, of course, be used to meet continuing funding for full-time mature students with dependant children who have received bursaries in earlier years, as long as they are used to cover the costs of childcare, travel and course costs, rather than general living expenses.

24. Money will be made available through the Access Bursary Fund in future years to meet the continuing cost of bursaries, both to existing and new students, and will include in 2001-02 the Opportunity Bursaries for young, disadvantaged students. We expect that most students who qualify for a bursary from the Access Bursary Fund in 2000-01 will be eligible to receive the Childcare Grant from 2001-02, but there may be a continuing need for these students to receive additional help via a bursary in that year and for the rest of their course. Further guidance on how the Access Bursary scheme will operate once the Childcare Grant is introduced will be provided next year, alongside advice on the Opportunity Bursary scheme for young, disadvantaged students.

Will institutions receive any help with the administration costs of the bursaries?

25. The Secretary of State has identified just under £2 million for 2000-01 which institutions can use to help with the administrative cost of setting up the bursary scheme. Earmarked funds were allocated and distributed to institutions by the HEFCE in May. Institutions can use this money to advertise, arrange and administer the scheme. For example, they may wish to employ another part-time member of staff, or produce information for admissions tutors, student unions and others to give to prospective and existing mature students, or use the funds for wider local publicity, or for a combination of purposes.

What if an institution's initial allocation does not meet demand?

26. Initial allocations have been based on 80 per cent of the total funds available, in order to ensure that funds are targeted to meet demand. The remaining 20 per cent is intended for institutions which have spent, or earmarked, their initial allocation, and priority will be given to HEIs who have been able to distribute their initial allocation successfully. Where HEIs want to set aside funds for students following non-standard academic years, this information will also be taken into account.

27. Institutions can also move money from their Hardship Fund into the Access Bursary Fund to increase the amount given out for bursaries to mature students if they wish.

What will happen to unspent Access Bursary Funds?

28. Institutions should aim to spend their Access Bursary allocation in full. The funding is intended to provide help through bursaries in 2000-01 for eligible mature students. Where an institution is having difficulty in spending all of its allocation, it should consider whether it needs to set any funds aside for late starters, and whether there are any further existing or prospective students who could benefit from a bursary and who are eligible. Where HEIs know that they are unable to spend all their allocation, they can declare and return unspent funds to the Council. On the basis of the information provided in the 31 October return, the Department and the Council will consider the position of HEIs with any significant underspend.

Monitoring information about bursaries

29. Some monitoring information will be required on how Access Bursary Funds have been spent. An initial return with a census date of 31 October 2000

is due on 7 November 2000, and further information will be required at the end of the academic year. Full details on the monitoring requirements are at Annex F.

Other help for mature students in 2000-01

30. From September 2000, the amount of income which mature students can have disregarded when assessing their entitlement to student support is being increased from the current minimum of £820 to £7,500. This applies to existing as well as new students.

31. Also from September 2000, all students with dependant children aged 3 to 16 will be eligible for a means-tested grant to meet the cost of school meals paid through their LEA. Students who receive the school meals grant should not receive help from the Hardship Fund to cover these costs.

32. Loans of up to £500 will be available from September 2000 for part-time students to help meet the cost of books, equipment and travel. Advice on payments to part-time students is at Section 1, paragraphs 8 and 9.

Where to get further information

33. For further information about how the Access Bursaries will operate, please see the contact list at the beginning of this publication.

Annex A

Conditions relating to residence

1. In order to be eligible for a grant from the Hardship or Access Bursary fund, the student must fall within a category mentioned in Schedule 1 to the Education (Student Support) Regulations 2000 (SI 2000/1121) or the equivalent categories in the Education (Student Loans) (Scotland) Regulations 1999 or the Education (Student Support) (Northern Ireland) Regulations 1999. This is the case unless the student holds an LEA discretionary award under section 1(6) of the Education Act 1962 awarded prior to 1994-95, and subject to special rules for European nationals and assistance with fees. The following is only a summary of the categories, and the Schedule should be referred to for a definitive list. The wording in this annex follows that of the relevant legislation, where appropriate.

2. Taking first of all the most straightforward type of case, a student will meet the requirements if:

- on the first day of his course, if it is on or after 1 August 1997, he is settled in the United Kingdom or Islands within the meaning of the Immigration Act 1971, and
- for the three years preceding that date he has been ordinarily resident in the UK or Islands wholly or mainly for purposes other than receiving full-time education.

3. In applying these rules, institutions will need to take account of the following:

a. A student will be settled in the UK if he is ordinarily resident and is not subject under immigration law to any restriction on the length of his stay.

b. A person is not subject to any restriction on the length of his stay in the UK if he is a British citizen or if his passport has been stamped to the effect that the holder has an indefinite right of residence in the UK.

c. Evidence of British citizenship is a UK passport stating that the holder is a British citizen, or a UK birth certificate, coupled with evidence of identity.

d. A student who has lived outside the UK and Islands during all or part of the three year period mentioned above because he or his family were temporarily employed abroad may be treated as if his ordinary residence had not been interrupted.

e. A student who lived in the UK and Islands during the three year period mentioned above but who would not have done so if he had not been attending a full-time course would not meet the above requirements.

Students from the Channel Islands and the Isle of Man

4. Students who move from the Channel Islands or the Isle of Man for the purposes of attending the course (or a previous course if they did not take a break between the two courses, disregarding the intervening vacation) are not eligible for help from the Hardship or Access Bursary Funds.

Settled status

5. The requirement for settlement within the UK within the meaning of the Immigration Act 1971 is new, and only applies in relation to students starting courses on or after 1 August 1997.

6. In certain circumstances, outlined below, students can meet the residence requirements even though they do not meet the three year and settled status rules. Further guidance on ordinary residence is given in paragraphs 11 and 12 below.

Refugees and those granted exceptional leave to remain

7. The residence conditions do not apply to a student who has been granted refugee status in the UK, or whose parent (including step-parent) or spouse has been granted that status. Such a student is eligible to receive help from the Hardship or Access Bursary Funds as soon as refugee status has been granted. However, students who have been granted exceptional leave to remain are not eligible until they have satisfied the three year ordinary residence rule mentioned above, although they are not required to satisfy the requirements of settled status.

Students granted indefinite leave to remain

8. In order to clear a backlog of applications, the Home Office has decided that where a person applied for asylum before 1 July 1993, it can give

that person indefinite leave to remain. Normally, students must be granted indefinite leave to remain before they start their course in order to be eligible for student support, but the rules have changed this year. Students who applied for asylum before 1 July 1993, and who have been granted indefinite leave to remain as part of the Home Office's backlog clearance, are eligible for the Hardship Fund after indefinite leave has been granted, even if this is after they have started their course. They must, however, still have satisfied the three year ordinary residence requirement before the start of the course. Students should have a letter from the Home Office which makes it clear that the indefinite leave to remain was awarded because they were an asylum seeker who applied for asylum before 1 July 1993, and that the indefinite leave was granted exceptionally outside the Home Office rules.

EEA migrant workers

9. European Economic Area (EEA) nationals employed in the UK, including UK nationals, their spouses and their children, who do not pass the three year ordinary residence test will meet the residence requirements provided that:

(i) the EEA national has 'migrant worker status' through having been employed in the UK (not necessarily continuously) since he last entered the UK (brief absences abroad, for example on holiday, should be disregarded). In the case of a UK national, this will be having moved to the UK after a period of employment elsewhere in the EEA;

(ii) where the student is the spouse or child of the EEA national with migrant worker status, the student is ordinarily resident in the UK as a result of the migrant worker's employment in the UK; and

(iii) the student has been ordinarily resident in the EEA (the European Community, Iceland, Liechtenstein and Norway) throughout the period covered by the three year rule, and has not during any part of that period been so resident wholly or mainly for the purpose of receiving full-time education.

Members of the armed forces: their spouses and children

10. We are making a change to the residency requirements so that spouses and children of members of the armed forces can normally meet them, even if they have been abroad in the last three years. For 2000-01 onwards, members of the armed forces (that is, regular military and air forces and the Royal Navy) will be treated as being temporarily employed for any period during which they serve outside the UK as members of these forces. This will mean that their spouses and children can be classed as being 'ordinarily resident' in the UK for the purposes of eligibility for Access Bursary and Hardship Funds. This does not apply to armed forces personnel who are not engaged on active service, as teachers and other support staff, as they are not under the same degree of compulsion to work abroad, neither does it apply to reservists. It also only applies to students who started in 1998 or later (unless they are taking an 'end-on' course, or unless they fell within the gap year provisions in 1998).

Definition of ordinary residence

11. Interpretation of 'ordinary residence' is, in the last resort, a matter for the courts. A judgement by the House of Lords in 1982 clarified the law (Shah v Barnet London Borough Council, reported in [1983] 2 WLR 16). It held that ordinary residence is habitual and normal residence from choice for a settled purpose apart from temporary or occasional absences. The Department can offer advice in such cases but is not able to provide definitive rulings.

12. Temporary or occasional absences from the UK do not break ordinary residence. For example, trips abroad on holiday or for business would not normally break ordinary residence. As the courts have not defined 'temporary or occasional', each case must be judged on its own facts. Institutions should not apply universal rules of thumb or specified periods of time to decide what constitutes a temporary or occasional absence. Further, for these purposes, absences abroad because the student, his spouse or his parent was temporarily employed abroad will not be considered to break

ordinary residence in the UK even though the absence would not otherwise be regarded as temporary or occasional.

13. Institutions should note that an applicant's immigration status may readily be established or verified by reference to the stamp or stamps in his passport or travelling document. If an applicant's case is currently under consideration by the Home Office he should be able to produce documentary evidence of this consideration.

14. If an applicant's immigration status is not clear, institutions can contact the Immigration Status Enquiry Unit (ISEU) at the Home Office which deals with all enquiries about known asylum seekers. Addresses for these are given in paragraph 17 below.

Documents

15. In some cases, institutions may require documentation from a student to verify eligibility, but the necessary documents will be with the LEA. Institutions should contact the LEA when this occurs to verify that they hold the documents and that the information provided by the student is correct.

Further advice

16. The information above is a summary of the principal points likely to be of relevance to institutions. More detailed information is available in the DfEE publication 'Notes for Guidance' which can be obtained from:

Student Support Division
Further and Higher Education and Youth
Training Directorate
Department for Education and Employment
Room 215
Mowden Hall
DARLINGTON
Co Durham
DL3 9BG
tel 01325 392822

17. The Home Office enquiry points given below operate independently and if advice from both is required it will be necessary to write to both separately.

Immigration Status Enquiry Unit
3rd Floor
Apollo House
Wellesley Road
CROYDON
Surrey
CR9 2BY
tel 020 8760 8686

Asylum Screening Unit
2nd Floor
Lunar House
Wellesley Road
CROYDON
Surrey
CR9 2BY

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Annex B

Dance and Drama Awards: Connected institutions

Private institution	Connected HEI
Bristol Old Vic Theatre School	University of the West of England
Birmingham School of Speech & Drama	University of Central England
Bird College – Dance & Theatre Performance	Greenwich University
Guildford School of Acting	Surrey University
Italia Conti Academy of Theatre Arts Ltd	South Bank University
Laban Centre London	City University
London Contemporary Dance School	Kent University
London Studio Centre	Middlesex University
Mountview Conservatoire for the Performing Arts	Middlesex University
Royal Academy of Dancing	Durham University

Annex C

Advice on issuing short-term loans from the Hardship Fund

1. Institutions will need to make some checks before making a Hardship Fund payment to these students. A suggested checklist is below:

- full name, contact address, telephone number and proof of identity
- the student is registered or enrolled on a designated course
- the student has applied for a loan (or at least requested an application form from the LEA)
- if the student has changed course since the original application, that he has informed the LEA
- basic eligibility (see below).

2. If these checks suggest a payment should be made, the student should be asked to sign a declaration of eligibility, if their eligibility as a home student has not already been established by the LEA. Some wording is suggested here.

> 'I, [name of student] hereby certify that to the best of my knowledge I fulfil the following criteria:
>
> There are no restrictions on my stay and I am therefore "settled" within the UK (as defined in the Immigration Act 1971). Anyone with full refugee status or with exceptional leave to remain or enter the UK meets this requirement.
>
> I have been ordinarily resident within the UK or Islands for three years immediately before the start of my course. Students with full refugee status do not need to meet this requirement, and EEA migrant workers (or their spouses/children) must have been resident within the European Economic Area, rather than the UK and Islands.
>
> None of this time was wholly or mainly for the purposes of receiving full-time education.'

3. If a student gives inconsistent information, or if the institution is aware of contradictory evidence, it should not make a payment. In these circumstances, the student could be asked to return later, to allow time for further checks to be made, for example with the LEA. Where necessary, institutions could make a very small payment to tide such students over until the date of the next interview.

4. Institutions should also ask the student to sign a declaration that they will repay the loan. Some recommended wording is below. This gives institutions the flexibility to pursue the non-repayment of loans if a student leaves the course or does not receive a student loan:

'I acknowledge receipt of cash/cheque/(other....) of [£] from [name of institution]. I hereby promise to repay this amount in full (i) within 10 days of receiving the first instalment of my main student loan, or (ii) at the end of the academic year, or (iii) when I leave the course, whichever is the earlier.'

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Annex D

Form of words for students to give to their Benefits Office

[Name of student] has received a payment of [£ amount] from the Hardship Fund/Access Bursary Fund provided by the Government.

Delete as appropriate:

(i) It is a single payment

(ii) It is part of a series of [number] payments which will be made during the period [enter period].

(ii) The payment is a short-term loan which is repayable when the student receives the first instalment of the student loan.

To the best of my knowledge the student has not applied for this payment to meet everyday living costs.

(Signed)

on behalf of [stamp or other identification of institution]

Annex E

Report on the use of Access Funds for 1998-99

Funds available

1. For 1998-99, the DfEE gave the HEFCE a total of £45,730,183. This was split as follows:

- undergraduate fund – £39.44 million
- postgraduate fund – £5.5 million
- further education fund – £0.82 million.

2. The DfEE allocated an additional £1.2 million pounds for Access Funds to the Further Education Funding Council (FEFC) for HE students in further education colleges.

3. We subtracted £34,816 for allocation to the TTA for SCITT students.

Monitoring returns

4. HEFCE 98/45 asked institutions to complete seven monitoring tables. These figures have been aggregated and are shown below.

5. In general, the quality of reporting was disappointing. A significant number of institutions were unable, or unwilling, to complete all tables, or made substantial changes to the forms to fit their reporting procedures.

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Table 1 **Students applying for HE Access Funds**

Undergraduate			Postgraduate		Further education	
Total numbers applying 77,851			**Total numbers applying** 9,939		**Total numbers applying** 920	
Full-time 66,166	**Part-time** 11,710		**Full-time** 8,849	**Part-time** 1,198	**Full-time** 718	**Part-time** 182
Disabled 3,709	**Disabled** 1,560	**Fee Remission** 1,592	**Disabled** 248	**Disabled** 72	**Disabled** 31	**Disabled** 7
Total successful and total amount 67,253 £38,578,193			**Total successful and total amount** 8,239 £ 7,513,767		**Total successful and total amount** 795 £313,473	
Full-time *(numbers and amount)* 56,400 £32,008,430	**Part-time** *(numbers and amount)* 11,203 £3,242,073		**Full-time** *(numbers and amount)* 7,685 £5,034,641	**Part-time** *(numbers and amount)* 1,085 £720,787	**Full-time** *(numbers and amount)* 637 £229,198	**Part-time** *(numbers and amount)* 145 £76,861
Disabled *(numbers and amount)* 2,330 £1,072,508	**Disabled** *(numbers and amount)* 1,538 £417,090	**Fee** Remission *amount)* 159 £71,791	**Disabled** *(numbers and amount)* 206 £149,505	**Disabled** *(numbers and amount)* 67 £51,672	**Disabled** *(numbers and amount)* 25 £7,742	**Disabled** *(numbers and amount)* 7 £1,875

Table 2 **Details of payments**

Less than £100		£100 - £499		£500 - £999		£1000 - £1,999	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
1,653	£96,466	42,090	£11,013,514	20,100	£12,795,992	8,513	£10,915,892

£2,000 - £2,999		£3,000 and over		Total payments	
Number	Amount	Number	Amount	Number	Amount
1,555	£3,483,109	392	£1,787,220	74,303	£40,310,995

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Table 3 **Reasons for payments**

a. Undergraduate HE students	Number and amount					
Category	**FT**	**£**	**PT**	**£**	**Total numbers**	**Total amount**
Assistance with disability costs	2,169	1,006,552	1,530	402,168	3,699	1,408,740
Fees*	296	124,620	146	128,875	440	253,495
Books	4,115	1,262,456	810	90,219	4,925	1,352,676
Equipment	2,311	775,081	8,921	1285,149	11,233	2,060,480
Accommodation	16,437	7,352,225	513	353,001	16,966	7,711,310
Childcare	6,071	4,461,537	304	170,038	6,375	4,648,572
Transport	5,766	2,107,915	3,459	383,036	9,229	2,491,688
Utility costs and personal bank overdrafts	14,252	6,213,279	575	233,429	14,837	6,453,530
Other or unspecified combination	2,750	1,323,310	99	61,948	2,849	1,385,258
Totals	**54,167**	**24,626,976**	**16,358**	**3,108,114**	**74,723**	**28,987,654**

Not all institutions provided a breakdown between FT and PT.

**Access Funds may not be used to help students pay tuition fees, except in the case of PT UG students who subsequently become unemployed.*

b. Postgraduate HE students	Number and amount					
Category	**FT**	**£**	**PT**	**£**	**Total numbers**	**Total amount**
Assistance with disability costs	162	99,447	47	27,475	209	126,922
Fees – other than for tuition	168	182,699	28	27,094	196	209,793
Books	284	71,098	95	22,056	379	93,155
Equipment	365	248,480	81	37,717	446	286,196
Accommodation	1,901	1,073,060	144	78,722	2,056	1,164,051
Childcare	571	439,621	108	72,477	679	512,098
Transport	1,106	362,668	179	57,369	1,296	425,831
Utility costs and personal bank overdrafts	1,854	1,027,649	253	136,824	2,122	1,180,490
Other and combination	379	300,668	48	39,946	427	340,614
Totals	**6,790**	**3,805,389**	**983**	**499,680**	**7,857**	**4,374,849**

Not all institutions provided a breakdown between FT and PT.

c. FE students	Number and amount					
Category	**FT**	**£**	**PT**	**£**	**Total numbers**	**Total amount**
Assistance with disability costs	19	6,015	6	1,775	25	7,790
Fees – other than for tuition	13	2,452	0	0	13	2,452
Books	33	9,976	18	5,347	51	15,323
Equipment	162	36,877	7	1,979	169	38,856
Accommodation	259	64,404	14	7,131	273	71,535
Childcare	42	20,554	26	13,043	68	33,597
Transport	158	44,902	19	6,986	177	51,888
Utility costs and personal bank overdrafts	133	53,114	52	17,960	185	71,074
Other and combination	42	10,825	0	0	42	10,825
Totals	**861**	**249,119**	**142**	**54,221**	**1,003**	**303,340**

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Table 4 **Refusals**

Reason for refusal	Number of students
Insufficient evidence of financial hardship	5,387
Application did not meet institution's priority for use of Access Funds	2,521
Student loan was not taken out	391
£250 Hardship Loan was not taken out	243
Institution's Access Funds allocation was exhausted	745
Other	730

Table 5 **Loans to be repaid in subsequent years**

Fund	Number of students	Amount (£)
Undergraduate	1,706	603,964
Postgraduate	174	110,811
Further education	1	150
Total	1,881	714,925

Table 6 **Repayments from loans given in previous years**

Number of students	Amount (£)
208	47,542

Table 7 **Periodic information on funds given and interest earned**

	1 Sept to 31 Dec	1 Jan to 31 Mar	1 Apr to 31 Aug
Funds allocated by the HEFCE	£22,844,679	£13,882,106	£8,319,261
Funds paid to students	£10,629,678	£15,322,452	£18,909,860
Interest earned	£234,057	£178,990	£287,290

All data in Table 7 have been compiled from institutions' returns. Some institutions did not make complete or satisfactory returns.

Actual total HEFCE funds allocated in 1998-99 were £45,764,999 (including £34,816 transferred to TTA for SCITT students.

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8 HEFCE 00/28

Access Bursaries for Mature Students 2000-01 mid-year return 31 October 2000

Institution:

	Bursaries awarded or committed to students by 31 October 2000 who have started their programme of study		Estimate of the number of students eligible* for bursaries who have commenced study in AY 2000-01 and to who a bursary award has not been made	Estimate of the number of students eligible* for bursaries who are expected to commence study in AY 2000-01	Initial allocation not anticipated to be spent on Mature Student Bursaries in AY 2000-01 that will be returned to HEFCE (£)
	Number of students	Amount of bursary (£)			
Total	0	0	0	- 0	0

Note that the three categories of students are mutually exclusive.
*For a definition of eligibility please see the notes accompanying the disk and the guidance in HEFCE 00/28.

Table 1: Access Bursaries for Mature Students end of year return

Institution:

	Total allocation (first payment plus any top-up minus any funds returned mid-year)	Bursaries awarded		Remaining allocation
		Number of students	Amount of bursary (£)	
Total	0	0	0	0

HEFCE 00/28 41

Table 2 & 2a: Payments for hardship (excluding payments for part-time fee-remission and mature bursaries)

Institution:

Table 2 - Payments from the Hardship Fund (including carried over funds and interest earned)

		Age (years) at time of payment						Total		
		Under 21		21-24		25 and over				
Level	Mode	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of applicants (successful + unsuccessful)	Number of successful applicants	Payments made (£)
Undergraduate	Full-time	0	0	0	0	0	0	0	0	0
	Part-time	0	0	0	0	0	0	0	0	0
Postgraduate	Full-time	0	0	0	0	0	0	0	0	0
	Part-time	0	0	0	0	0	0	0	0	0
Further education	Full-time	0	0	0	0	0	0	0	0	0
	Part-time	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0

Table 2a - Bursary schemes through the Hardship Fund (included in the above table)

	Number of successful applicants	Payments made (£)
Total	0	0

Table 3: Reasons for payment for hardship

Institution:

	Reason for payment							
	Assistance with disability costs		Child care		Transport		Books and equipment	
	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)
Total	0	0	0	0	0	0	0	0

Reason for payment								Total	
Non-tuition fees (e.g. field trips)		Accommodation		Utility costs		Other unspecified hardship			
Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)	Number of successful applicants	Payments made (£)
0	0	0	0	0	0	0	0	0	0

HEFCE 00/28

Table 4: Loans for repayment

Institution:

	Number of successful applicants	Paid out	Repaid	Outstanding
Loans to students whose loan cheque is delayed	0	0	0	0
Other loans	0	0	0	0
Total	0	0	0	0

Table 5: Periodic information and interest earned (all funds - Hardship Funds and Access Bursaries)

Institution:

	Source of funds	1 September to 31 December	1 January to 31 March	1 April to 31 August	Total
Available funds for 2000-01	**Add:** Funds allocated by the HEFCE	0	0	0	0
	Add: Funds brought forward from 1999-2000	0	0	0	0
	Add: Interest earned	0	0	0	0
Funds disbursed during 2000-01	**Add:** Funds paid to students (including those from loans repaid)	0	0	0	0
	Add: Interest used to defray audit costs, train staff or publicise funds	0	0	0	0
	Add: Mature bursaries initial allocation returned mid-year	0	0	0	0
	Less: Loans repaid	0	0	0	0
Total available funds		0	0	0	0
Total funds disbursed		0	0	0	0

Note for calculation purposes, funds brought forward and Access Bursaries returned have been included in the first payment, loans repaid are included in the final payment.

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Table 6: Summary

Institution:

	Hardship fund	Mature Bursaries	Total	Total as percentage of allocation plus 1999-2000 fund brought forward plus interest
Add: Funds allocated in 2000-01	0	0	0	-
Add: Funds brought forward from 1999-2000	0	-	0	-
Add: Interest earned during 2000-01	0	-	0	-
Less: Funds disbursed (including those from loans repaid)	0	0	0	0
Add: Loans repaid	0	-	0	0
Less: Mature Bursaries initial allocation returned mid-year	-	0	0	0
Total funds remaining	0	0	0	0
Funds HEI wishes to carry over to 2001-02*	0	0	0	0
Funds to be reclaimed by HEFCE**	0	0	0	0

*This must be no greater than 10% of the total income for 2000-01 (funds allocated + funds brought forward + interest earned)
**Note that funds to be reclaimed will be reclaimed by HEFCE from the 2001-02 allocation in the January 2002 payment

Note that for calculation purposes, funds brought forward from the previous year and interest earned are assumed to be part of the Hardship Fund.

Please fill in the following for the person to contact with any queries about the return:

Contact name:

Contact telephone number:

Contact e-mail:

Director of Finance - (on hard copy) please sign below to confirm that the information returned on this disk is consistent with the information held in the institution's accounting system in respect of the period 1 September 2000 to 31 August 2001 and is reconcilable with the information shown in the financial statements for the year ending 31 July 2001. (See paragraph 6 of the Executive Summary of HEFCE 00/28.):

Name:

Signature:

Date:

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Appendix 3

HEFCE allocation method

1. The DfEE has split the £56.9 million Hardship Funds available for English HEIs, and has allocated:

- £1,024,649 for further education students in HEIs
- £49,069,263 for undergraduate students
- £6,830,988 for postgraduate students.

The amounts in these pots are not 'ring-fenced' and institutions may vire between them.

2. We used the HESA98 student record to allocate the funds between institutions. This was the latest available. We extracted eligible students from the HESA record and categorised them by level of study, mode of study, age group and affluence group. There are three age groups and two affluence groups. These are:

Age group

- young – where the student was under 21
- young mature – where the student was aged 21 to 24
- mature – where the student was 25 or above.

Age was taken to be the student's age at 1 August 1998.

Affluence group

- poor neighbourhood – where, according to geodemographic classifiers based on postcode, the student comes from an area with a lower than average participation rate in higher education
- other neighbourhood – where the student is not classified as coming from a poor neighbourhood.

3. We gave a weight to each category, based on the predicted need of the students in that category. For example, mature students are more likely to apply for a payment from the Hardship Fund so we gave them a greater weight than young students.

		Full-time			Part-time		
		Mature	Young mature	Young	Mature	Young mature	Young
Undergraduate	Poor	8	2	4	1	1	1
	Other	4	2	1	1	1	1
Postgraduate	Poor	8	2	4	0	0	0
	Other	4	2	1	0	0	0
Further education	Poor	8	2	4	1	1	1
	Other	4	2	1	1	1	1

4. We gave further education students who where 16 to 18 years old half the weight of other 'young' further education students under 21.

5. We calculated the total full-time equivalent (FTE) in each category of student and multiplied it by the weight for that category. We summed this across categories to derive a weighted FTE for each institution for each pot.

6. Within each pot, we calculated the total weighted FTE for all institutions. We then calculated the rate per weighted FTE in each pot by dividing the available money by the total weighted FTE. We calculated the allocation for each institution from each pot by multiplying their weighted FTE by the rate per weighted FTE. The example below shows how we calculated an allocation from the undergraduate pot.

Example

7. An institution has the following numbers of students:

Level	Mode	Age group	Affluence group	Number	FTE
Undergraduate	Full-time	Mature	Other	120	120
			Poor	95	95
		Young mature	Other	85	85
			Poor	60	60
		Young	Other	250	250
			Poor	195	195
	Part-time	Mature	Other	75	55
			Poor	70	40
		Young mature	Other	25	15
			Poor	20	10
		Young	Other	8	4
			Poor	5	3

8. The allocation from the undergraduate pot would be calculated as follows:

- weighted sum of all full-time equivalents =

(4 x 120) + (8 x 95) + (2 x 85) + (2 x 60) + (1 x 250) + (4 x 195) + 55 + 40 + 15 + 10 + 4 + 3 = 2,687

- total weighted FTE for undergraduates across all institutions = 1,774,000
- total money available for undergraduates = £49,069,263
- rate per weighted FTE = £49,069,263 ÷ 1,774,000 = £27.66
- allocation from the undergraduate pot for this institution is 2,687 x £27.66 = £74,322

9. We used an additional criterion in the allocation of the Hardship Funds. This was that no institution received less Hardship Funds plus Mature Student Bursaries in 2000-01 than it had received in Access Funds (not including the fee-waiver fund or the one-off payment in January) in 1999-2000.

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